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January 23, 2002

Electronic Filing
Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th St., SW, Room TWB-204
Washington, DC 20554

Re: Notice of Ex Parte Presentation:
In the Matter of Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers and Implementation of the Local Competition Provisions in the Local Telecommunications Act of 1996, CC
Docket No. 96-98

In the Matter of Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC
Docket No. 98-147

Dear Ms. Salas:

On Tuesday January 22, 2001, Steve Huels, Ellyce Brenner and I, all of AT&T, met with Sam Feder, Legal Adviser to Commissioner Martin, to discuss the status of AT&T's Consumer and Business Local Services. In the course of that meeting, AT&T touched on several issues that will be at issue in the aforementioned proceedings. Attached is the presentation outline that was distributed during the meeting and that formed the basis of the discussion. The positions expressed by AT&T were consistent with those contained in the Comments and ex parte filings previously made by AT&T which have been incorporated into the record of this proceeding.

One copy of this Notice is being submitted in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

A handwritten signature in black ink that reads "Robert W. Quinn, Jr." with a stylized flourish at the end.

Enclosure

cc: Sam Feder



COMMITMENT TO LOCAL

Ellyce Brenner

ABS Business Local Services
Vice President



Steve Huels

ACS Product Management
Vice President



Key Points To Be Covered

- AT&T's Commitment To Local Service Competition In Both Residence and Business Markets
- Where We've Been
- 2002-2003 Plans
- What We Need To Be Successful

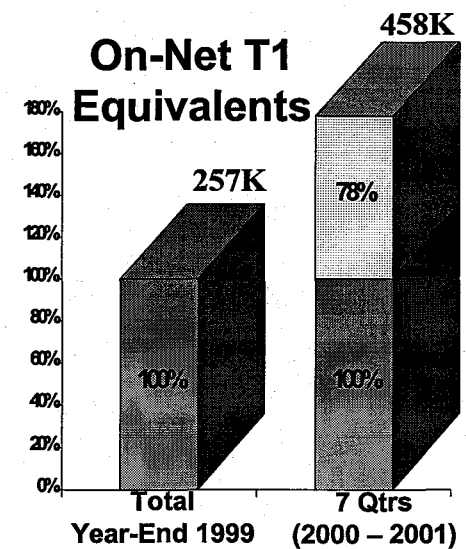
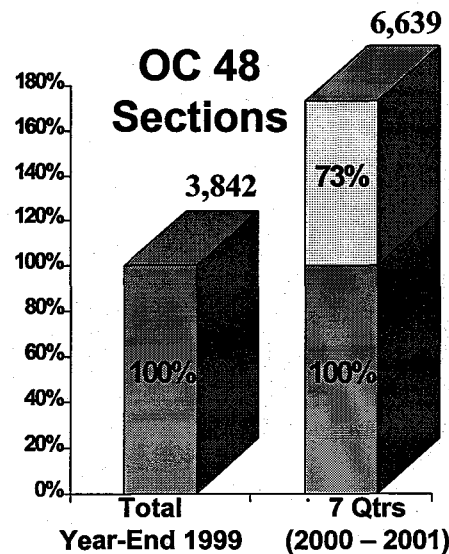
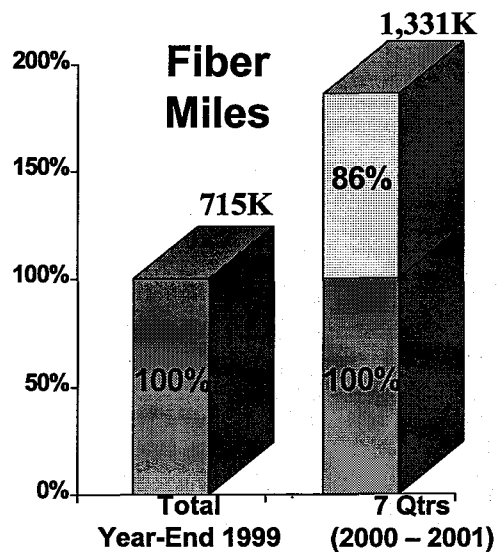
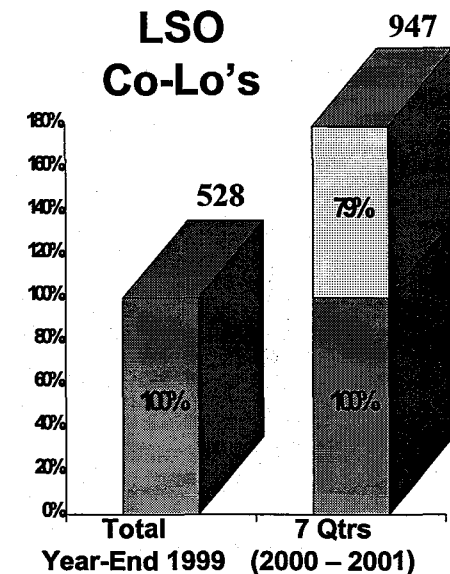
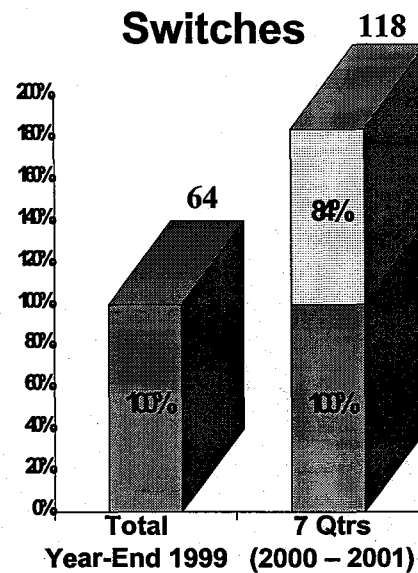
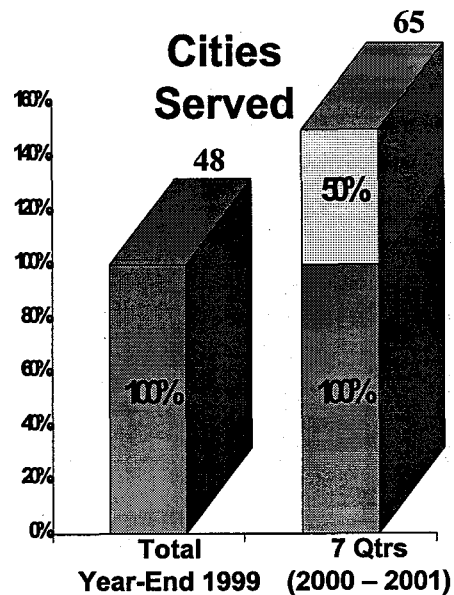
The AT&T Local Network Infrastructure

AT&T Local Investment: Our Commitment To Facilities-Based Competition



Significant Investments in the Local Network

7 Quarters of Growth Since Total Year End 1999



AT&T Consumer Local and Multi-Services Platform

AT&T Consumer Multi-Service Platform

An Integrated Voice/Data Offer Is AT&T Consumer's Cornerstone Facilities-Based Product Offering to Serve the Residential Market

- Residential Consumers Want an Integrated Offering From a Single Provider
- The Additional DSL-based Revenue Streams Make It Possible to Consider Investing in an Infrastructure to Serve the Residential Market With a Facilities-Based Offer
- Provides the Only Potentially Economically Viable Vehicle for Migrating Residential Customers From UNE-P to the AT&T Switch Platform

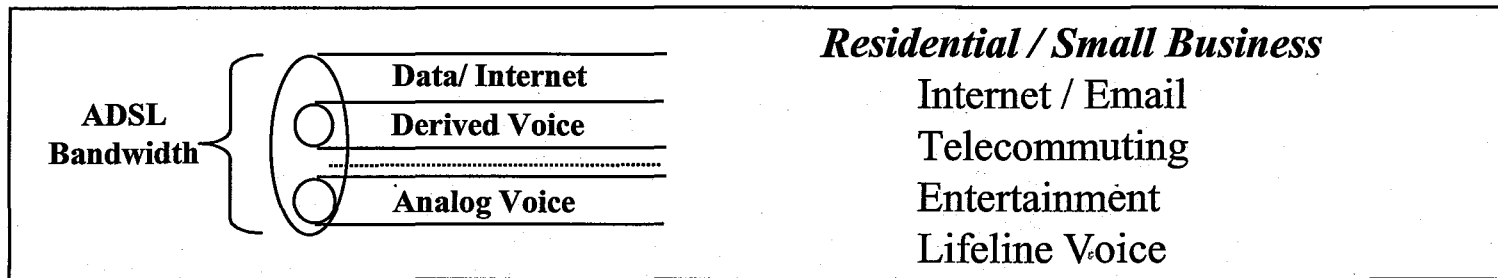
AT&T Consumer Local & Multi-Service Platform

The Integrated Voice/DSL Offer

- DATA: High Speed up to 768K/384K, Moving to 1.5Mbps
 - Worldnet Service Option Available With 6 E-mail Ids and Personal Web Page
- VOICE: Local Service Bundled With Line Features and Toll "Bucket"
 - "Baseband Voice" for First Line
 - Network Powered Line Required by Consumer Marketplace for Reliability
 - Up to 2 Additional Lines
 - Features Included (Caller ID and Call Waiting)
 - Toll Minute Buckets
- E-enable Capabilities
 - Pre-qualification, Ordering, Status, Billing, Payment and Care

Future Add-on Offerings

- Home Networking
- Voice-only & Data-only Options
- Data Security & Storage
- Small Businesses



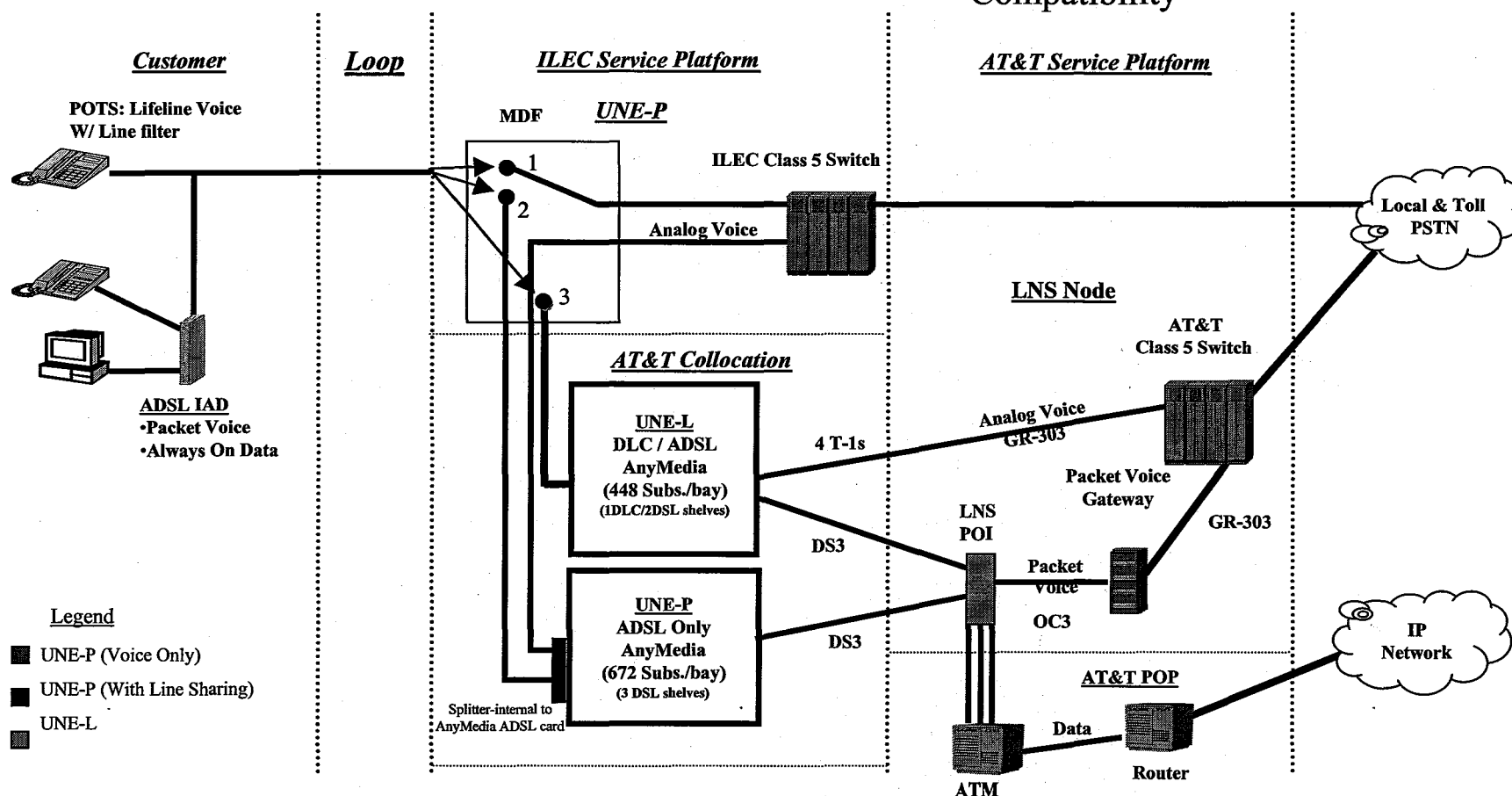
AT&T Consumer Local & Multi-Service Platform

Advantages of UNE-P based DSL

- Voice Systems Infrastructure In Place
- Simpler Operating Infrastructure
- Enabled Earlier Market Entry

Advantages of UNE-L based DSL

- Improved Economics for Voice Switching
 - Derived Lines & Baseband
- Enhanced Features
 - Baseband-Derived Voice Compatibility



AT&T Business Local Services Platform

Where We Have Been.....

1999 – 2000 (2 Years)

- UNE-L Approach
- Process Thruput: Line At A Time
- 78K Lines provisioned
- 54% Cancelled Prior to Conversion
- Customer Service Interval: 45 days from POS to Dial Tone
- Likelihood Of Service Interruption: 6-9%
- Highly Inefficient
- Unable To Achieve Business Plan Objectives

2001 (1 Year)

- Strategic Shift To UNE-P For Acquisition in 20 Markets
- Process Thruput: 5 To 1 Productivity Lift
- 262K Lines provisioned
- 20% Cancelled Prior to Conversion
- Customer Service Interval: 21days From POS To Dial Tone
- Likelihood of Service Interruption: 1-3%
- Evaluating Strategy & Economics For Bulk P To L Conversions
- Converted 24K Lines With Less Than 1% Loss Of Dial Tone

What AT&T Residence & Business Needs To Be Successful:

- **Ability To Offer A Competitive Service Bundle (LD/Local/DSL) To All Small Businesses and Residential Customers**
- **UNE Rates That Permit Viable Local Entry Through UNE-P**
- **Operational Mandate To ILECs That Delivers UNE-P Without Customer Service Impact**
- **Operational Processes That Permit Commercial Volumes of Loops to Be Moved to Competitive Carriers With No Loss of Service**
- **UNE Rate Structure and Operational Processes Which Enable Conversion From UNE-P to UNE-L at Commercial Volumes**